



ADMINISTRATION AND
MANAGEMENT

OFFICE OF THE SECRETARY OF DEFENSE
1950 DEFENSE PENTAGON
WASHINGTON, DC 20301-1950

MEMORANDUM FOR COMMITTEE MANAGEMENT SECRETARIAT
GENERAL SERVICES ADMINISTRATION

SUBJECT: Charter Consultation – Defense Business Board

The Department of Defense, pursuant to the Federal Advisory Committee Act of 1972, as amended, intends to reestablish the charter for the Defense Business Board (“the Board”) (attached). The Board will operate under the provisions of the Federal Advisory Committee Act of 1972, as amended and in accordance with 41 CFR § 102-3.50.

Prior to filing the Board’s charter reestablishment with the Library of Congress and the appropriate congressional committees the Department of Defense respectively requests that the Committee Management Secretariat review and approve the proposed charter and membership balance plan (attached). The proposed charter reestablishment and membership balance plan has been reviewed and approved by the Office of the General Counsel for the Department of Defense.

If you should have any questions about this charter please contact me at 703-695-5952.

James D. Freeman II
Advisory Committee Management
Officer for the Department of Defense

Attachments
Proposed Charter
Proposed Membership Balance Plan

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Defense Business Board

1. Committee's Official Designation: The committee shall be known as the Defense Business Board ("the Board").
2. Authority: The Secretary of Defense, in accordance with the provisions of the Federal Advisory Committee Act (FACA) of 1972 (5 U.S.C., Appendix, as amended) and 41 C.F.R. § 102-3.50(d), established the Board.
3. Objectives and Scope of Activities: The Board shall provide the Secretary of Defense and the Deputy Secretary of Defense independent advice and recommendations on critical matters concerning the Department of Defense (DoD), as set out in paragraph four below.
4. Description of Duties: The Board shall examine and advise on overall DoD management and governance from a private sector perspective.
5. Agency or Official to Whom the Committee Reports: The Board shall report to the Secretary of Defense and the Deputy Secretary of Defense, who may act upon the Board's advice and recommendations.
6. Support: The DoD, through the Office of the Director of Administration and Management (DA&M), shall provide support, as deemed necessary, for the performance of the Board's functions and shall ensure compliance with the requirements of the FACA, the Government in the Sunshine Act of 1976 (5 U.S.C. § 552b, as amended) ("the Sunshine Act"), governing Federal statutes and regulations, and established DoD policies and procedures.
7. Estimated Annual Operating Costs and Staff Years: The estimated annual operating cost, to include travel, meetings, and contract support, is approximately \$1.02 million. The estimated annual personnel cost to the DoD is 6.0 full-time equivalents.
8. Designated Federal Officer: The Board's Designated Federal Officer (DFO), pursuant to DoD policy, shall be a full-time or permanent part-time DoD employee, and will be appointed in accordance with established DoD policies and procedures.

The Board's DFO is required to be in attendance at all meetings of the Board and any subcommittees for the duration of each and every meeting. However, in the absence of the Board's DFO, a properly approved Alternate DFO, duly appointed to the Board according to DoD policies and procedures, will attend the entire duration of all meetings of the Board or its subcommittees.

The DFO, or the Alternate DFO, will call all of the meetings of the Board and its subcommittees; prepare and approve all meeting agendas; and adjourn any meeting when the DFO, or the Alternate DFO, determines adjournment to be in the public interest or required by governing regulations or DoD policies and procedures.

9. Estimated Number and Frequency of Meetings: The Board will meet at the call of the Board's DFO, in consultation with the Board's Chair. The estimated number of meetings of the Board is four per year.

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10. Duration: The need for this advisory function is on a continuing basis; however, it is subject to renewal every two years.
11. Termination: The Board shall terminate upon completion of its mission or two years from the date this charter is filed, whichever is sooner, unless the Secretary of Defense extends it.
12. Membership and Designation: The Board shall be composed of no more than 25 members. The members must possess the following: (a) a proven track record of sound judgment in leading or governing large, complex private sector corporations or organizations; and (b) a wealth of top-level, global business experience in the areas of executive management, corporate governance, audit and finance, human resources, economics, technology, or healthcare.

The Board members will be appointed by the Secretary of Defense for a term of service of one-to-four years, and will be renewed on an annual basis in accordance with DoD policies and procedures. Members of the Board who are not full-time or permanent part-time Federal employees will be appointed to serve as experts and consultants under the authority of 5 U.S.C. § 3109 to serve as special government employee (SGE) members. Members of the Board who are full-time or permanent part-time Federal employees will be appointed pursuant to 41 C.F.R. § 102-3.130(a) to serve as regular government employee (RGE) members. All members of the Board are appointed to provide advice on the basis of their best judgment without representing any particular point of view and in a manner that is free from conflict of interest.

The Secretary of Defense shall appoint the Board's chair and vice chair from the total membership, and shall determine the term of service for the Board's chair, which shall not exceed the member's approved term of service.

All Board members will be reimbursed for travel and per diem as it pertains to official business of the Board. Board members will serve without compensation.

No member, unless authorized by the Secretary of Defense, may serve more than two consecutive terms of service on the Board, to include its subcommittees, or serve on more than two DoD federal advisory committees at one time.

The Secretary of Defense, according to DoD policies and procedures pertaining to inviting or appointing individuals to serve on advisory committees, may invite the chairs of the Defense Policy Board and the Defense Science Board to serve as non-voting ex-officio SGE members of the Board, and the Director of the Office of Management and Budget and the Comptroller General of the United States to serve as non-voting ex-officio RGE members of the Board. The non-voting ex-officio SGE members may provide advice to the Board membership only in the areas governed by their respective advisory boards provided the information has been voted on by their membership and is available to the general public. They do not represent their respective advisory boards. These non-voting ex-officio SGE and RGE members, when invited by the Secretary of Defense, will not count toward the Board's total membership and

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may not participate in the Board's deliberations.

The DA&M, on behalf of the Secretary of Defense and pursuant to DoD policies and procedures, may appoint, as deemed necessary, non-voting subject matter experts (SMEs) to assist the Board or its subcommittees on an ad hoc basis. These non-voting SMEs are not members of the Board or its subcommittees, and will not engage or participate in any deliberations by the Board or its subcommittees. These non-voting SMEs, if not full-time or part-time Government employees, will be appointed under the authority of 5 U.S.C. § 3109 on an intermittent basis to address specific issues under consideration by the Board.

13. **Subcommittees:** DoD, when necessary and consistent with the Board's mission and DoD policies and procedures, may establish subcommittees, task forces, or working groups to support the Board. Establishment of subcommittees will be based upon a written determination, to include terms of reference, by the Secretary of Defense or the Deputy Secretary of Defense.

Such subcommittees shall not work independently of the chartered board, and shall report all their recommendations and advice solely to the Board for full deliberation and discussion. Subcommittees, task forces, or working groups have no authority to make decisions and recommendations, verbally or in writing, on behalf of the chartered board. No subcommittee or any of its members can update or report, verbally or in writing, directly to DoD or to any Federal officer or employee.

The Secretary of Defense shall appoint subcommittee members even if the member in question is already a member of the Board. Subcommittee members, with the approval of the Secretary of Defense, may serve a term of one-to-four years, subject to annual renewals of their appointment; however, no individual appointed to any subcommittee of the Board shall serve more than a total of two consecutive terms of service on the Board including any subcommittees unless otherwise authorized by the Secretary of Defense.

Subcommittee members, if not full-time or permanent part-time Federal employees, will be appointed to serve as experts and consultants under the authority of 5 U.S.C. § 3109 to serve as SGE members. Those subcommittee members who are full-time or permanent part-time Federal employee will be appointed pursuant to 41 C.F.R. § 102-3.130(a) to serve as RGE employees. With the exception reimbursement of official travel and per diem related to the Board or its subcommittees, subcommittee members shall serve without compensation.

Each subcommittee member is appointed to provide advice on behalf of the Government on the basis of his or her best judgment without representing any particular point of view and in a manner that is free from conflict of interest.

The Secretary of Defense shall appoint the chair for any subcommittee of the Board and determine the term of service, which shall not exceed the member's approved term of service.

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All subcommittees operate under the provisions of FACA, the Sunshine Act, governing Federal statutes and regulations, and established DoD policies and procedures.

14. Recordkeeping: The records of the Board and its subcommittees shall be handled according to Section 2, General Records Schedule 26 and governing DoD policies and procedures. These records shall be available for public inspection and copying, subject to the Freedom of Information Act of 1966 (5 U.S.C. § 552, as amended).

15. Filing Date:

Membership Balance Plan
Defense Business Board

Agency: Department of Defense (DoD)

1. Authority: The Secretary of Defense, in accordance with the provisions of the Federal Advisory Committee Act (FACA) of 1972 (5 U.S.C., Appendix, as amended) and 41 C.F.R. § 102-3.50(d), established the Defense Business Board (“the Board”).
2. Mission/Function: The Board shall provide the Secretary of Defense and the Deputy Secretary of Defense independent advice and recommendations on overall DoD management and governance from a private sector perspective..
3. Points of View: The Board shall be composed of no more than 25 members. The members must possess the following: (a) a proven track record of sound judgment in leading or governing large, complex private sector corporations or organizations; and (b) a wealth of top-level, global business experience in the areas of executive management, corporate governance, audit and finance, human resources, economics, technology, or healthcare.

Each member, based upon his or her individual and professional experiences, provides his or her best judgment on the matters before him or her and does so without representing any particular point of view and in a manner that is free from conflict of interest. Board members appointed by the Secretary of Defense, who are not full-time or permanent part-time Federal officers or employees, shall be appointed to serve as experts and consultants under the authority of 5 U.S.C. § 3109 to serve as special government employee (SGE) members. Board members shall be appointed on an annual basis by the Secretary of Defense. Those individuals who are full-time or permanent part-time Federal officer or employees shall be appointed pursuant to 41 C.F.R. § 102-3.130(a) to serve as regular government employee (RGE) members.

The Secretary of Defense has invited four ex-officio individuals to serve on the Board. These individuals are: the Comptroller General of the United States, the Director of the Office of Management and Budget, the Chair of the Defense Policy Board, and the Chair of the Defense Science Board. While these individuals may provide the Board members with insight about matters being considered by the Board, these ex-officio members are not participants in the Board’s deliberations nor can they vote on any matters before the Board.

The DoD, in selecting potential candidates for the Board, reviews the educational and professional credentials of individuals and bases its selection on this review and the subject matters being handled by the Board. The Department has found that viewing the complex issues facing the Department, through a multidiscipline advisory committee, provides the Department and, more importantly, the American public with a broader understanding of the issues on which to base subsequent policy decisions.

The Board’s membership balance is not static and the Secretary of Defense may change the membership based upon work assigned to the Board by the Secretary of Defense or the Deputy Secretary of Defense. In addition, the Department, unless otherwise directed by an Act of Congress or Presidential directive, does not use representative members on DoD-established or supported advisory committees.

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4. Other Balance Factors: N/A

5. Candidate Identification Process: The DoD, in selecting potential candidates for the Board, reviews the educational and professional credentials of individuals with extensive backgrounds in private sector management. Potential candidates are identified by the professional staff of the Office of the Secretary of Defense and, in some instances, based upon discussions with other professionals within the DoD in consultation with Office of General Counsel of the Department of Defense (OGC DoD), White House Liaison, and the DA&M.

Once potential candidates are identified, the DA&M, as the Board's sponsor and in consultation with the Deputy Secretary of Defense, reviews the credentials of each individual and narrows the list of candidates. During his or her review, the DA&M strives to achieve a balance between the professional credentials of the individuals and the near-term subject matter that the Deputy Secretary of Defense has indicated will be reviewed by the Board.

Once the DA&M narrows the list of candidates and before formal nomination to the Secretary of Defense, the list of potential candidates undergoes a review by the OGC DoD and the Office of the Advisory Committee Management Officer to ensure compliance with federal and DoD governance requirements, including compliance with the Board's charter and membership balance plan. Following this review, the DA&M formally nominates the potential candidates to the Secretary of Defense for approval; pursuant to DoD policy, only the Secretary of Defense and the Deputy Secretary of Defense can invite or approve the appointment of individuals to advisory committees established or supported by the DoD.

Following approval by the Secretary of Defense or the Deputy Secretary of Defense, the candidates are required to complete the necessary appointment paperwork, to include meeting ethics requirements stipulated by the Office of Government Ethics for advisory committee members.

The Secretary of Defense or the Deputy Secretary of Defense may approve the appointment of members to the Board, to include its subcommittees, for one-to-four year terms of service, with annual renewals. However, no member, unless authorized by the Secretary of Defense or the Deputy Secretary of Defense, may serve more than two consecutive terms of service on the Board, to include its subcommittees. Such appointments will normally be staggered among the Board membership to ensure an orderly turnover in the Board's overall composition on a periodic basis. Membership vacancies for the Board and its subcommittees will be filled in the same manner as described in the previous four paragraphs above.

6. Subcommittee Balance: DoD, as necessary and consistent with the Board's mission and DoD policies and procedures, may establish subcommittees, task forces, or working groups to support the Board.

The Secretary of Defense or the Deputy Secretary of Defense shall approve the appointment of subcommittee members in the same manner as members to the Board. Individuals considered for appointment to any subcommittee of the Board may come from the Board itself or from new nominees, as recommended by the DA&M and based upon the subject matters under consideration,

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but they must be approved by the Secretary of Defense or the Deputy Secretary of Defense before participating in any subcommittee work.

7. Other: As nominees are considered for appointment to the Board, the DoD adheres to the rules and regulations issued by the Office of Management and Budget's Final Guidance on Appointment of Lobbyists to Federal Boards and Commissions (76 F.R. 61756; October 5, 2011) and the rules and regulations issued by the Office of Government Ethics.
8. Date Prepared/Updated: